

**286.3-030 Limitation on right to engage in business -- Authorization for Kentucky chartered banks and subsidiaries to sell insurance.**

- (1) As used in this section, "person" includes a natural person, partnership, corporation, association, business trust, voting trust, or similar organization.
- (2) No persons, except corporations, shall engage in the business of private banking in this state.
- (3) No bank incorporated under the laws of another state or national bank having its principal place of business outside this state shall transact any banking business in this state except to lend money, unless specifically authorized by law or administrative regulation, or except as permitted following a merger transaction within the meaning of Section 44 of the Federal Deposit Insurance Act pursuant to 12 U.S.C. secs. 1811 et seq., approved after June 1, 1997.
- (4) Kentucky chartered banks, or their subsidiaries, are specifically authorized to engage in the sale of insurance.
- (5) No bank incorporated under the laws of the Commonwealth of Kentucky shall make any loan or discount on the security of the shares of its own capital stock, or the shares of stock of a bank holding company which controls the bank to the extent that such loan or discount secured by such shares exceeds the amounts permitted by Section 23(A) of the Federal Reserve Act (12 U.S.C. sec. 371c) as that section reads on July 15, 1986, nor be the purchaser or holder of any such shares, except that a bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business; and stock so purchased or acquired, shall, within six (6) months from the time of its purchase or acquisition, be sold or disposed of at public or private sale. This subsection shall not affect or modify in any way KRS 386.025, but said section shall remain in full force and effect.
- (6) Any state or national bank with branch offices in Kentucky shall use at all times the same name for all its branch offices in Kentucky.

**Effective:** July 15, 1998

**History:** Amended 1998 Ky. Acts ch. 196, sec. 4, effective July 15, 1998; and ch. 312, sec. 1, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 254, sec. 35, effective July 15, 1996; and ch. 338, sec. 8, effective July 15, 1996. -- Amended 1986 Ky. Acts ch. 444, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 130, sec. 2, effective July 13, 1984. -- Amended 1972 Ky. Acts ch. 174, sec. 1. -- Amended 1956 Ky. Acts ch. 80, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 581, 598b-4 (1938 Supp.), 602a-1, 609.

**Formerly codified as** KRS 287.030.

**Legislative Research Commission Note** (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.

**Legislative Research Commission Note** (7/15/98). This section was amended by 1998 Ky. Acts chs. 196 and 312 which do not appear to be in conflict and have been codified together.